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STRENGTHENING INTERNATIONAL STATISTICAL COOPERATION

Inter-Agency Task Force on Finance Statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Inter-Agency Task Force on Finance Statistics (Convener: International Monetary Fund), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission's Working Group on International Statistical Programmes and Coordination at its sixteenth session (Geneva, 13-16 September 1993) (E/CN.3/1994/2, para. 11).

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Annex

REPORT OF THE INTER-AGENCY TASK FORCE ON FINANCE STATISTICS

I. INTRODUCTION

1. The Inter-Agency Task Force on Finance Statistics was mandated by the United Nations Statistical Commission's Working Group on International Statistical Programmes and Coordination to pursue the following objectives:

(a) To determine work being done by international organizations on methods, collection, compilation, processing, dissemination, technical assistance, and cooperation;

(b) To assess problems, duplication, weaknesses, imbalances and gaps;

(c) To study how to carry out an evaluation of the database maintained by international organizations.

2. For the purposes of the Task Force, finance statistics were defined as balance of payment statistics; external debt statistics; money and banking statistics; government finance statistics; and other financial statistics for which some international organizations have developed a role in setting standards and compiling statistics.

3. The participants in the Task Force were: the Bank for International Settlements (BIS); the Statistical Office of the European Community (Eurostat); the International Monetary Fund (IMF) (Convener); the Organisation for Economic Cooperation and Development (OECD); the World Bank; and the Statistical Division of the United Nations Secretariat (UNSTAT).

II. ACTIVITIES OF THE TASK FORCE

4. In December 1992, the IMF Statistics Department conducted a survey of international organizations of bodies involved in compiling and/or publishing data in the area of financial statistics. 1/ The organizations were asked about their involvement in financial statistics and their views on possibilities for better coordination and cooperation. Two more specific surveys followed, one on data collection and the other on data transformation and dissemination. The IMF Statistics Department also prepared a report entitled "The scope of strengthening cooperation in finance statistics between international organizations".

5. A preliminary discussion of the survey results and of the report of the IMF Statistics Department took place in April 1993 at a meeting of the IMF Committee on Balance of Payments Statistics. Similar discussions were held with members of the International Working Group on External Debt Statistics. In June 1993, the first meeting of the Task Force was convened, focusing on money and banking statistics. A second meeting of the Task Force, focusing on government finance

statistics, was to have been convened early in December 1993 but was cancelled because of travel budget constraints on some of the organizations invited.

6. A report of the Task Force on its activities and findings was discussed by the Working Group on International Statistical Programmes and Coordination at its sixteenth meeting and by the Subcommittee on Statistical Activities of the Administrative Committee on Coordination at its twenty-seventh session, both held in September 1993.

7. The survey results and the above-mentioned IMF report, together with a summary of the conclusions of the first meeting of the Task Force, were sent to governors of central banks, ministers of finance and heads of statistical offices in a large number of countries. Many of those authorities have responded, reflecting a widespread interest in such issues as the harmonization of concepts, the sharing of data, data transformation, and coordination. Those who were to have participated in the meeting were requested to submit their views in writing instead.

III. CONCLUSIONS

8. The principal conclusions that have emerged from the Task Force's inquiries thus far are: (a) the participating organizations have acknowledged the potential for duplication and overlap in data collection; (b) few of the international organizations report much involvement in technical cooperation or assistance to address the problems caused by data transformation; and (c) the documentation available on the publications of the international organizations is not sufficient to allow users to identify how national and international data sources are interrelated.

9. The IMF Balance of Payments Statistics Committee has observed that there is a need to improve coordination among the international organizations and the different departments within them when they are requesting statistical information from countries. It has also expressed the view that countries should be informed of any changes made by the international organizations to the data that countries have submitted to them.

10. At the meeting in June 1993 focusing on financial statistics, it was observed that it was primarily the IMF and to a lesser extent Eurostat that transformed national data into internationally comparable statistics. The Task Force has concluded that there has been a considerable and probably increasing degree of data-sharing of finance statistics among international organizations, especially through the use of electronic media by the industrial and major developing countries. However, it has also been noted that there is a need to improve the documentation of recent publications and sources of data, particularly in areas in which the interests of international organizations overlap.

11. In their response to the Task Force inquiry, national authorities have emphasized the importance of reaching general agreement on how to improve coordination and harmonization in data collection by the international organizations. In that respect, the Task Force is seen as a welcome initiative.

However, while data sharing has been welcomed as a device for alleviating the response burden, the view has also been expressed that harmonization should not take place at the expense of the requirements in specific areas of statistics that arise from differences in focus. It has been noted that second stage transformations by indirect recipients can reduce the quality of data; if the nature of such transformations is not clear, the link with the original data is sometimes difficult to establish. Appropriate documentation is an essential requirement for overcoming the resulting lack of transparency and enhancing the international comparability of data.

12. The responses received to date to the invitation for international organizations to present their views on coordination in the area of government finance statistics do not yet permit any general conclusions to be drawn. However, one particular that the responses do have in common is the demand for data for separate levels of government.

IV. FUTURE PLANS

13. Although the Task Force has been able over the past year to achieve significant results in investigating financial statistics and mapping international data flows, much has still to be done to achieve improved coordination. Among other things, efforts will have to be made to improve the harmonization of data and the efficiency of its collection and dissemination. Further attention should also be given to the coordination of technical assistance.

14. One specific conclusion of the Task Force that needs to be followed up is the need to assess current data-reporting arrangements. As to coordination with other institutions, the recommendation that the Task Force should coordinate with the Committee of Governors Working Group on Statistics of the European Community should be followed up, and common positions with respect to the harmonization of money and banking statistics (and possibly also capital flows) should be identified.

15. Other issues that could be considered include the desirability of setting standards for electronic data transmittal and the extent to which harmonization with internationally accepted standards in other areas, such as national accounts and balance of payments statistics, should be pursued.

V. POINTS FOR DISCUSSION

16. The Commission may wish to consider the following points for discussion:

(a) Data sharing is seen as a possible way to improve the effectiveness of data collection. On the other hand, it may entail a loss of transparency of data. How can those objectives be reconciled?

(b) The harmonization of methodologies is seen as a way to enhance the comparability of data and the efficiency of the collection process. But a lack

of focus on specific areas may result. How far should harmonization go to achieve an optimal situation?

Notes

1/ The survey covered UNSTAT, the United Nations regional commissions, the World Bank, IMF, OECD, Eurostat, BIS and the regional development banks. For balance of payments statistics, a questionnaire was also sent to the United Nations Conference on Trade and Development, the World Tourism Organization, the Geneva Agreement on Tariffs and Trade, the Arab Monetary Fund, and the United Nations Centre on Transnational Corporations.

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STRENGTHENING INTERNATIONAL STATISTICAL COOPERATION

Inter-Agency Task Force on Price Statistics including the International Comparison Programme (ICP)

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Inter-Agency Task Force on Price Statistics including the International Comparison Programme (ICP) (Convenor: Statistical Office of the European Communities (Eurostat)), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of its Working Group on International Statistical Programmes and Coordination at its sixteenth session (Geneva, 13-16 September 1993) (E/CN.3/1994/2, para. 11).

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Annex

REPORT OF THE TASK FORCE ON PRICE STATISTICS INCLUDING THE INTERNATIONAL COMPARISON PROGRAMME (ICP)

1. The Inter-Agency Task Force on Price Statistics including the International Comparison Programme (ICP) met at Geneva on 28 October 1993 for the first time since the sixteenth session of the Working Group on International Statistical Programmes and Coordination. That venue was chosen because it provided an opportunity for most of the agencies concerned to be present while attending a conference on consumer price indices (CPIs) sponsored jointly by the United Nations and the International Labour Organization (ILO) (see paras. 8 and 9 below for the logistics of future meetings).

2. Earlier in 1993, Eurostat had circulated a questionnaire concerning the involvement of a number of international agencies in the field of consumer price statistics. Replies had been received from the Statistical Division of the United Nations Secretariat (UNSTAT), the Economic Commission for Europe (ECE), the Organisation for Economic Cooperation and Development (OECD), ILO, the International Monetary Fund (IMF), the World Bank, the International Statistical Institute (ISI), the Food and Agriculture Organization of the United Nations (FAO), the Economic Commission for Africa (ECA) and Eurostat. The replies had been analysed by Eurostat and a summary had been made available to the Working Group at its sixteenth session. That exercise had provided a useful factual basis in respect of world-wide activity in collecting, analysing and disseminating national CPIs. It seemed clear that much could be done to improve the coordination of CPI work around the world.

3. Eurostat had earlier taken the view that the global coordination of the ICP was restricted to a relatively small group of central and regional organizers, and that the various aspects of its organization which were referred to in the terms of reference of the Task Force were already well covered. However, it became apparent at the first meeting of the Task Force that there appeared to be no mechanism currently available for carrying out objective appraisals and evaluations of the ICP in general. The Task Force felt that its own establishment, although not permanent, could provide just such a mechanism; coming at an early stage of the 1993 ICP round, its timing was opportune.

4. The Task Force strongly supported the continued existence and indeed the expansion of the ICP, on the grounds that it was a unique source of data not only for international price comparisons but also and more importantly for making international GDP comparisons in real terms. Such international price comparisons were becoming even more essential, given the increasing levels of international economic cooperation (European Community (EC), European Free Trade Association (EFTA), European Economic Area (EEA), North American Free Trade Agreement (NAFTA) etc.) and also given the growing importance of planning technical assistance for developing countries.

5. A particular feature of the ICP was its potentially close relationship with national CPIs; indeed, one of the justifications for including developing countries in the ICP was the beneficial effect it could have on improving

countries' statistical infrastructure, notably in the fields of CPIs and national accounts.

6. The Task Force believed that that connection between the ICP and national CPIs was currently underplayed. It felt that the Task Force itself could act as a stimulant in opening up and establishing permanent links between the ICP and national CPIs. The latter - at least in the developed countries - had become institutionalized and were widely regarded as core economic indicators; they were hence relatively well provided for. It therefore appeared sensible to attempt to link the ICP operationally as closely as possible to CPIs. Again, no mechanism currently existed for enabling that type of linkage to be established, and the Task Force felt that it could have a valuable role to play in that respect.

7. The Task Force discussed the question of whether its mandate was intended to cover only consumer prices or whether its terms of reference went further - for example to producer prices. Several members felt that it would make sense to have such a wider coverage, although the Task Force as a whole felt that the main priority lay with CPIs. The advice of the Working Group on that point would be sought. It should be borne in mind, however, that the extension to producer prices or other price series, such as export prices, would greatly extend the field of the Task Force, requiring a much wider expert involvement, and would be likely to slow down its work considerably.

8. In view of the responsibility of the Task Force for evaluating the ICP, an examination of the possibilities for linkages between CPIs and the ICP would be useful. For that purpose, a strengthened input from the regional commissions seemed essential (the regional organizations were responsible for the regional ICP comparison). For the first meeting, no invitations had been sent to the regional commissions (except for ECE, which had provided the venue), which only added to a serious logistical difficulty ahead, namely, how to obtain resources for holding future Task Force meetings. Although opportunities such as the convening of the above-mentioned conference on CPIs, which most of the organizations and bodies concerned had attended, would continued to be sought, it would not always be possible to find them. The Statistical Commission and other bodies concerned therefore needed to consider what provision could be made for the future meetings of the Task Force.

9. Members were asked to provide the Convenor before the next Task Force meeting was held (a date was planned for early April 1994) with memoranda outlining their agency's general mission, where appropriate, and how it perceived its own organizational objectives in respect of CPIs and the ICP. Further elaboration in writing of the views expressed at the first meeting were requested and would serve as a basis for drawing up a programme of work for the Task Force.

10. Finally, concerning the various matters on which the Working Group had requested the inter-agency task forces to deliberate, the Task Force concluded as follows:

(a) Perception of mandate:

(i) To improve coordination of world-wide CPI work;

(ii) To provide objective appraisal and evaluation of the ICP;

(iii) An opportunity existed for establishing better linkages between the ICP and national CPIs;

(iv) The mandate might be extended to include producer price indices and other price indices.

(b) Evaluation of Task Force's methods:

(i) Potential membership agreed, including all five regional commissions;

(ii) Meetings to be arranged, where possible, back-to-back with other international meetings;

(iii) Need for resources to be made available for future meetings;

(c) Achievements to date:

The identification of the main problems must be seen as an achievement. But much remained to be done;

(d) Prospects for future success:

The ICP was resource-intensive. Closer links with national CPIs would open up possibilities of economies but the desired expansion of the ICP seemed certain to require more resources. Experience with harmonizing CPI methodologies within the European Union (EU) suggested that globally there was scope for considerably more effort.

11. The list of participants is contained in the appendix. The minutes of the meeting are before the Commission as a background document.

Appendix

LIST OF PARTICIPANTS

Chairman: J. Astin (Eurostat)

Secretary: D. Sellwood (Eurostat)

Organizations/bodies of the United Nations system

Statistical Division of the United Nations Secretariat	M. Csizmadia
Economic Commission for Europe	R. Fauser
International Labour Organization	R. Fokianos R. Rassou
World Bank	J. Borpujari
International Monetary Fund	P. Cotterill

Other intergovernmental organizations/bodies

Organisation for Economic Cooperation and Development	P. Scrimgeour
European Free Trade Association	T. Leppo